



World Chronicle

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SOCIAL DEVELOPMENT

In 1995, the international community convened the World Summit for Social Development. Social integration, poverty and unemployment were the main issues addressed by the Summit. John Langmore, Director of the Division for Social Policy and Development in the United Nations Department of Economic and Social Affairs, discusses what has been achieved since the Summit and what the governments are doing to honour the commitments they made to improve the social conditions of their societies.

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ANNOUNCER: From United Nations Headquarters in New York, this is **World**

ANNOUNCER: From United Nations Headquarters in New York, this is **World Chronicle**, an unedited interview programme about major global issues. Here now to introduce our guest is the host of today's **World Chronicle**.

LITTLEJOHNS: I'm Michael Littlejohns, and this is **World Chronicle**.

Three years ago, delegates from 186 countries, including 117 Heads of State and Government, attended the World Summit for Social Development. They adopted the Copenhagen Declaration and Programme of Action to combat poverty, unemployment and social disintegration. What has been achieved since then? Are Governments implementing the commitments they made at the Summit?

Our guest today is very much concerned with the issues of economic and social development. He is John Langmore, Director of the Division for Social Policy and Development in the United Nations Department of Economic and Social Affairs.

Joining me to talk with Mr. Langmore are Ian Williams of the *Tribune of London* and John Metzler of *USA Radio Network*. Mr. Langmore welcome to **World Chronicle**.

LANGMORE: Thank you very much.

LITTLEJOHNS: Let's repeat the questions – what's been achieved since the Conference and are governments honouring their commitments?

LANGMORE: Well, there's no doubt at all that the World Summit for Social Development was a major breakthrough globally. It was the first time that Heads of State and Government had come together on social questions by which we mean things like poverty eradication, full employment and social integration and it was the largest meeting of Heads of State and Government that had ever been held anywhere up to that time – a hundred seventeen of them.

LITTLEJOHNS: Was President Clinton there?

LANGMORE: No he wasn't. But Vice-President Gore was and Mrs. Clinton was, I'm glad to say. But most Heads of State and Government attended and they made very strikingly strong commitments about seeking full employment, about eradicating poverty, about target dates in particular countries, about strengthening social integration, about the provision of human services – they were very strong commitments. To answer your question, it's difficult, briefly, but many countries have taken those commitments very seriously, others have not done so to any extent at all. I think you have to say that the English-speaking industrialized countries have been more neglectful than most. But ...

LITTLEJOHNS: Really? Why is that?

LANGMORE: Well, I mean, that's another question. But let me answer the

LITTLEJOHNS: Okay.

LANGMORE: But I think the East Asian countries, the South Asian countries, the Latin American countries have all tried quite hard to implement the commitments that they made. The International Organizations have – the World Bank has changed its orientation very strikingly in the last 3 - 4 years. And now, poverty eradication is its central goal. And that's true also of the United Nations Development Programme. The ILO has been strengthening ...

LITTLEJOHNS: International Labour Organization.

LANGMORE: Yes, the International Labour Organization has been strengthened in its commitment to seeking full employment into developing policies and it's published two major global reports on employment strategies since then. So there have been major changes and I think even in the English-speaking countries, there is starting to be more attention now than, perhaps, there was immediately after the Summit.

LITTLEJOHNS: But why are they bad apples in that case?

LANGMORE: Well, there are big debates on out there. One of them is about globalization. Many people would assert that globalization has the effect of eroding countries' capacities to set their own social policies.

LITTLEJOHNS: But this is not confined to English-speaking countries. Why are you singling out the English-speaking countries?

LANGMORE: I think, perhaps, because what you could call market fundamentalism has been stronger in those countries than it has in others. In other words, there has been a very narrow preoccupation with economic criteria and economic policy of a fairly narrowed kind, which is being more neglectful of social policy than it's true of the rest of the world. But, I think, even that is changing. For those who saw President Clinton's State of the Union Message they would have noticed that most of what he said was about US social policy. Nothing to that may be reflecting the fact that there is increasing recognition in business and in financial markets. That social issues matter, that if you want to have relatively secure and stable societies, that you've got to have active social policy and that such societies are more attractive to investors because they are less likely to involve vulnerability and disruption.

WILLIAMS: One of the ... I looked at the report and, as always, I look for the things that aren't in there. And there are two axioms that ... about social exclusion which is what your theme of the year is, in many ways – there is no explicit mention of racism – which is a very potent force. And one of the suggestions made about America, for example, is if all those black people who are in prison were included in unemployment statistics, American job creation wouldn't look quite so rosy.

LANGMORE: That's quite true – one in a 150 Americans are in prison so that is a major problem for this country. I think race or ethnicity is explicitly mentioned in one or two points. But ... and I think it was recognized as being a centrally important question in many countries and there was a lot of discussion about what could be done to reduce discrimination to – for example – ensure that employment was equally open to people of all groups, not just the main group, had the whole question of what social inclusiveness means and how you reduce marginalization was at the heart of what we're talking about during the meetings of the Commission for Social Development.

WILLIAMS: But it just fall into another aspect apart from racism. I happen to know there's been a campaigner from South Asia who comes to the UN every time this preparatory conferences are on to try to get the issue of caste discrimination brought on. I have recently returned from India, my first time for 15 years, and the untouchables are still untouched by any type of form of social development that I can see apart from a very small group. I know that he has been campaigning for years to try and get the issue of caste with particular relevance to South Asia, which is a real poverty hell hole. And he said that he has had no success whatsoever in persuading governments that this is an important enough issue and it's only right to be on the agenda.

LANGMORE: He did speak to the Commission for Social Development and he went and spoke to a number of national delegations I know and got a quite sympathetic response. I think many of the programmes, the Indian Government would say which aimed at reduction of poverty are aimed directly at improving opportunities for the lowest caste in India and there has been some great advance. We all know about the value of macro credit, for example, in Bangladesh. But such claims are also in place in India and that's just one particularly effective example of the ways that have been used to increase the productivity of an informal sector activity.

METZLER: There's the issue also of child employment where, unemployment in many cases, in the case of India and Pakistan there is no question that there is a glaring, glaring issue of child labour. And what is the Commission doing specifically to address that and make those, if you will, proposal stick with national governments?

LANGMORE: The most important thing the Commission did during its recent meeting was to reaffirm that exploitative child labour must be outlawed to express recommitment to the ILO Conventions outlawing child labour and to urge the ILO to be more active in that area. The Commission does not attempt to tag on every issue itself in great detail, but that is an area where the International Labour Organization has a prime responsibility.

METZLER: And what kind of sanction can the ILO bring against a particular

country that is openly flaunting the rules on a regular basis.

LANGMORE: It does not have great power, it's true, and the sort of sanctions that the ILO can bring are something one's reporting what's happening and publicizing those but, of course, that influences national governments to have their own counter-sanctions and basic labour laws are now being – labour standards are now being much more actively discussed in many countries including the United States, but I think throughout the industrialized world, there's been a growth of concern about this and various techniques are being tried, some retailing companies have agreed that they will label goods coming from developing countries as having been produced in conditions of proper labour standards and that kind of publicity is a very effective way of enabling consumers to choose for themselves what kind of goods they will buy and only to buy those which are produced under proper labour standards.

LITTLEJOHNS: Mr. Langmore, what effect has the Asian financial crisis of recent months had on what we're trying to achieve or what you are trying to achieve and, for example, Malaysia had set a target of the year 2000 for the eradication of extreme poverty. Are they going to be able to meet that target?

LANGMORE: It's going to be much more difficult for them. Quite clearly and unambiguously that financial market volatility has been enormously damaging to the well-being of those countries. There's an increase in unemployment of millions of people in those countries in total and many people are being pushed out of urban areas, back to rural areas where they've got no hope for achieving reasonable incomes. Those countries are gonna have to cut back on the education and health expenditure so that they're going to have less capacity to act effectively to reduce poverty. So, financial volatility has done great damage. It has had a beneficial side effect, though, I think, in that it draws attention to the need to get greater order into financial markets and it also draws attention to the fact that countries which have more stable societies, more equitable societies, more open societies, more democratic societies, are less likely to experience that kind of problem. Because in those societies, there will be greater transparency. There will be greater openness, a better provision of information. Investors will have more knowledge on which they can base their decisions and that means that there is now, I think, in financial markets, a greater recognition of the importance of social development, as well as more narrowly-focused economic development.

WILLIAMS: It's interesting 'cause what you're talking about now is really the manifestation of the Anglo-American economic model on other parts of the world.

LANGMORE: Yes, that's right.

WILLIAMS: There's already been a conflict between the World Bank and the IMF, under the covers, because a lot of people think the IMF is inserting an entirely

inappropriate social model – a financial model – on those countries. And one of those aspects, which I want to come through, is the cold question of unemployment. The Anglo- American model, in effect, says controlling inflation is much more important than controlling unemployment. Alan Greenspan, for example, the Chairman of the Federal Reserve, is charged according to the accurate set up of the Federal Reserve with controlling unemployment and inflation. But it's a long time since he ever said, "Oh, we must raise – we must lower interest rates, because unemployment is going up."

LANGMORE: That's true.

WILLIAMS: I mean, this orthodoxy has been spread across the world, but nobody really seems to challenge it loudly enough. Everyone seems scared to confront the IMF.

LANGMORE: I think there's more willingness to challenge it now than there has been at anytime since the Washington Consensus was articulated in 1990. There was a splendid speech by Joseph Stiglitz, the Chief Economist of the World Bank in January, in which he said it was quite clear now that we have to learn to oppose Washington Consensus which could, of course, no longer be based in Washington. It had to be much more reflective of the rest of the world. And that it had to be concerned with a bigger range of objective than simply minimizing inflation and eliminating government current account deficits. It had to be concerned also with democracy and equity and the provision of services and full human development. Unless there is a wider commitment to a proper range of goals and the range of policies that are made to achieve them, then more problems likely — financial crisis in East Asia – are likely to reoccur. I'm not saying that they're the only reasons for the crisis. I mean, they're partly to do with over deregulation of financial markets.

WILLIAMS: At the IMF's insistence mostly...

LANGMORE: Indeed, indeed. I mean one hopes that there are going to be some major public debates and some major soul-searching within the IMF and rethinking of their approach. Because it has contributed to the problems those countries are now achieving. There's no doubt about that. They haven't always been wrong, on the other hand, by the way, either. We're in a complex area. But it is clear that unless the full range of human and social and economic goals are adopted and effective policies are applied to achieving them, then crisis are more likely to occur.

WILLIAMS: So there's going to be more space

LITTLEJOHNS: This is **World Chronicle**. Our guest is John Langmore, Director of the Division for Social Policy and Development in the United Nations Department of Economic and Social Affairs.

WILLIAMS: So, this means that for the last decade, the UN has been progressively squeezed out by the IMF and World Bank, the Bretton Woods Institutions from social and economic development issues. Does this mean there's an opportunity now for the United Nations to re-imagine and re-occupy some space representing the poor of the world instead of the bankers?

LANGMORE: I would dispute that the UN has ever been squeezed quite as tightly as you're suggesting and I think the fact that the Social Summit was held, and it was a United Nations conference, is a vivid illustration of the fact that the UN still holds the centre grounds as far as international political activity goes and a very important part of that is the economic and social policies and debates that occur here. So, the World Bank is the chief lending institution and the IMF is the chief stabilization institution and the orientations within which they have to operate, to a very strong extent, still and, perhaps increasingly, influenced by the debates that happen in the UN and the UN-sponsored conferences.

METZLER: Mr. Langmore, on the issue of unemployment, once again, if we return to the Third World, we see horrifically high rates – in Latin America, South Asia, Southeast Asia now. Even in Spain in Europe, European Union, Ireland, we see high rate. What about those countries in Western Europe that just can't seem to get those very high numbers down? Youth unemployment in Spain is very, very high. Italy the same story. So it's not just a question of the Third World – it's right here in the European Union, as well.

LANGMORE: There was a fascinating conference of European countries sponsored by the Austrian Government in follow up to the Social Summit at the beginning of February and a number of very important ideas came out of that – innovative ideas. One, of course, is just that when the European Monetary Union comes into place, there will be greater scope for most stimulatory macro-economic policies than there has been at any time for the last couple of decades and whether they'll choose to use that is another question. But at least the capacity will be there. Europe will have 360 odd million people who will have external trade of only 10%, most trade will be internal, therefore, the leakage will be very small, if they adopt stimulatory policies so that the scope perfect the stimulatory policy will be increased by the Monetary Union and, therefore, also by the way the scope for keeping the interest rates down which is a very important technique in encouraging employment growth. But another very important idea that was discussed in some detail, was the importance of reducing hours of work. It's quite absurd that in a lot of countries, we have a large group of people who are overworking, stressed, and it's true of lots of people all of us know and we have also a very large pool of unemployed people. So it's quite clear that parts of the answer is in redistributing work, the available work, more equitably. That's not a simple or straightforward task, it

involves work reorganization. It might not simply involve reducing average hours of weekly work, but it might involve longer annual leave or more study time or more family time off or a whole host of other possibilities are available. Quite clearly, for example, in the Netherlands, the growth of part time workers have been a very important contributor to building up employment and unemployment in Netherlands is now only about 6%, which is a real achievement. And there are lessons to learn for other countries from that. So I think many ideas of that kind need to be explored and are on the agenda.

LITTLEJOHNS: But unemployment is less than 6% in the United States where people work forty and longer – forty hours and longer every week. That's a lot of working. So, why is The Netherlands such a good example. Why not the United States?

LANGMORE: Indeed, and I'm quite sure US is a good example in some ways. It might be that flexibility in labour markets is an important contributor. It may also be that stimulatory fiscal policies is a contributor. The US has been running a fiscal deficit for the last 20 years in fact that does stimulate economic growth. It might be that reducing military expenditure contributes because the US has been reducing military expenditure very substantially as a proportion to its national income. A lot of factors can be involved and I think we need to take account of the complexity of that.

WILLIAMS: It could also be that when you pay little on the unemployment benefits not many people declare themselves unemployed as long as its advantage to be gained from it.

LITTLEJOHNS: Are there unemployment benefits in the United States?

LANGMORE: Not on the scale of Europe and very limited periods ...

LITTLEJOHNS: Well, I mean, the United States is one of welfare states, but for God's sake, let people who are unemployed get unemployment benefits in the United States.

WILLIAMS: Not over the long term.

LITTLEJOHNS: What do you mean the long term? How long a term?

LANGMORE: They can get for longer still. But the point is coming under this new welfare law where some people will no longer be eligible and that will cause a terrible crisis, I imagine.

WILLIAMS: That was part of what you're talking about earlier – the Anglo-American model – we tend to regard unemployment as a model failing, rather than an economic failing and it all struck me as strange that when interest rates go up, people become morally unsound and stop working.

LANGMORE: I think attitudes are more complex than that.

METZLER: On the issue of under-employment, and we haven't addressed that,

there are many people in the industrialized countries such as The Netherlands and, certainly the United States who are under-employed and what about bringing those people up to the, well, 40-hour week?

LANGMORE: It's important for people to have the choice about the hours for which they want to work and it is true, that some people working part time would like to work longer but it is also true that some people – mothers of young children, men as they get closer to retirement age – would like to cut back their hours and they're not able to do so because of the rigidities of the regulations under which they work or the rigidities of the superannuation requirements that place a superannuation on their income during the last 3 or 5 years of their working life and so they don't want to cut back in case they lose super as a result. Those kinds of laws need to be changed in order to increase the flexibility to allow people greater choice and that would contribute to redistributing employment more equitably, I think.

LITTLEJOHNS: Mr. Langmore in the perception of many people, Africa is sort of an international basket case. What has happened in Africa to improve the situation, if at all, since the Conference?

LANGMORE: Well, one of the most important things that's happened in Africa since the Conferences, economic growth have picked up and, in fact, there has been real growth of income per head on average in Africa in each of the last couple of years. In some countries it's been quite strong, in a few countries it's been quite strong. Of course, there are enormous problems but the situation is far from being hopeless. It's being addressed more actively through a combined UN-World Bank and other organization initiative. I think, quite a lot has been achieved in terms of aid and debt-forgiveness. There's now, of course, new debt-forgiveness initiative through the World Bank and the IMF and some countries have forgiven debt. There's a lot more attention being given towards improving the effectiveness of the education systems and health systems in those countries and of the productivity of the informal sector where a lot of people work.

WILLIAMS: But coming back to Africa, I'm looking at the international terms of trade. As far as I know, two years ago, when the initiative for Africa was announced, the countries of sub-Saharan Africa were paying more in interest to the big financial institutions than they were getting in aid. So there's actually a net drain of capital and, as a consequence, the type of services you were talking about in places like Zimbabwe, I remember in particular, the government was faced with closing down health clinics for children and cutting back on vaccination programmes.

LANGMORE: There's no doubt at all that a lot more is needed to assist Africa. It's very important that there be a further debt initiative to reduce debt and the civilian debt of

low income countries. One issue that might well be on the agenda for the special session in follow-up to the World Summit for Social Development – the Special Session which will be held in the year 2000 – could well be a further initiative on debt reduction. It certainly should be on the agenda, because without further debt reduction, debt forgiveness, many of those countries simply cannot get out of the vice that they're in at present and unless they can reduce their debt service payments, they can't invest, they can't put their funds into the employment and health services that they so desperately needed.

METZLER: And there you have an issue also in many of those countries, there's not even the condition of safe drinking water, the roads aren't good. And there are so many underlying problems beyond the fiscal that they have to deal with. How do you simply deal with those problems? In many cases the water doesn't work, the bridges aren't there, the roads aren't any good. How does one get about that? UN Development Programme, I know, does a great job. But, how do you really address the entire package?

LANGMORE: You know a host of different ways, don't you? But one of the emphasis that came out of the recent meeting of the Commission for Social Development was the importance of enabling people to help themselves of not simply through external aid trying to make things better for them but of increasing their access to resources so that they could provide the better water supply themselves from local sources or local wells or improve their own sewage system or whatever the issue happens to be.

WILLIAMS: Or security.

METZLER: Very basic needs.

LANGMORE: I mean, people want to help themselves. They're often prevented by one lack of finance or skill, or social security, or whatever it happens to be. Absolutely very basic things – from working in the way they want, enabling, empowering them to help themselves is a central goal of good development policy.

LITTLEJOHNS: Mr. Langmore, we have little more than a minute left. Let me ask you about the impact of high technology, particularly computerization, on the job market. Everybody wants to get on the Internet but, in fact, isn't this costing jobs?

LANGMORE: No, I don't think so. I think technology is an opportunity because it improves – networking improves the access to information, but – and

LITTLEJOHNS: Virtually which now can be done by computer, required the hands of several people previously.

LANGMORE: That's true and some people will be replaced but other jobs were created in the area. But it is true that most of the growth in employment is going to be in the service area, not in communications. It's going to be in the jobs that we do for each other.

The face to face jobs -- the teaching, the nursing, the travel agents, the hair cutting, the restaurateurs -- all are sort of human services ...

LITTLEJOHNS: Yes, but that's in the developed world. What about the developing countries?

LANGMORE: I think it will -- the -- mainly in developing countries also, as well, of course, as in rural development, because still most people live in the rural sector and we must talk about why is it improving agriculture productivity ...

LITTLEJOHNS: Mr. Langmore that's all the time we have. Thank you for being with us on this edition of **World Chronicle**.

Our guest has been John Langmore, Director of the Division for Social Policy and Development in the United Nations Department of Economic and Social Affairs.

He was interviewed by Ian Williams of the *Tribune of London* and John Metzler of *USA Radio Network*.

I'm Michael Littlejohns. Thank you for joining us. We invite you to be with us for the next edition of **World Chronicle**.